



DRMI Newsletter

Defense Resources Management Institute, Naval Postgraduate School, Monterey, California

Issue 20

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C.J.'s Corner

Comments from Dr. C.J. LaCivita, Executive Director, DRMI



Changes to DoD Planning, Programming and Budgeting System

There have been numerous changes to the U.S. Department of Defense's top-level resource allocation system, the Planning, Programming and Budgeting

System. More changes may be coming in DoD resources management processes. In its March 5, 2007 edition¹, *Defense News* reports that efforts are underway to reduce the number of new programs by changing the way programs are selected for development. Under the proposed changes, the current analyses of alternatives (AOAs), which tend to focus on individual (See "C.J.'s Corner" on page 2.)

Feature Article

Do As I Say, Not As I Do: Re-thinking the Timing and Measurement of Post Conflict Reconstruction, by Dr. Robert McNab



Whether reconstruction should take place during military operations, or only after the cessation of hostilities, remains a matter of debate in the literature. The inter-dependency of reconstruction's four pillars suggests to some that reconstruction should address

each area simultaneously.¹ If reconstruction fails to simultaneously address political and institutional instability, ensure internal security, and consider economic and social conditions, then, as this argument goes, failure is likely.² What remains unknown is whether or not these strategies can be carried out simultaneously in an environment characterized by insecurity. Operationally, tasking military units primarily concerned with security to instill democratic institutions and rehabilitate infrastructure may dilute combat power. Financially, resource limitations may constrain the breadth and depth of reconstruction, where institutions exist without being functional.

If operational or financial conditions inhibit simultaneous action on the four pillars of reconstruction, what should come first? Again, experience and the literature fail to yield a consensus. Some argue that socio-economic reconstruction must be an integral part of immediate post-conflict operations.³ Investment at the community, rather than at the national level, can foster a sense of local ownership and improve a project's likelihood of success and sustainability. Smaller, and more numerous, local level projects often present communities with tangible results; more traditional, resource intensive reconstruction projects, however, tend to ignore local level projects. Operational units ideally placed to deliver these smaller scale projects, provide positive externalities in terms of developing local institutions and cultivating actionable intelligence. This delegation of responsibility,

(See "Reconstruction" on page 8.)

C.J.'s Corner (Continued from page 1.)

service proposals, would be replaced by evaluations of alternatives (EOAs). The EOAs would take a military-wide look at issues and focus on how requirements are to be met, how the technology will be developed and how much the various options will cost. The EOAs would be conducted by a service or agency and submitted to the DoD's Program Analysis and Evaluation (PA&E) office for review. Once PA&E approves the EOA, the proposal would go to a new committee, the Corporate Tri-Chair, consisting of the members of the Defense Acquisition Board, the Joint Requirements Oversight Council and the component acquisition executives, for approval to proceed with concept refinement and technical development.

Notice that the EOA sounds a lot like what we teach here at DRMI. In my opinion, this is another attempt to return the PPB system to its roots of using systems analysis to think broadly about issues before deciding on specific solutions and is therefore a positive development.

¹ "DoD Plans to Limit New Programs, Cut Costs," *Defense News*, March 5, 2007, p. 6.

DRMI Policy Guidance Council meets

The DRMI Policy Guidance Council met here in Halligan Hall on 28 March to conduct its annual review of the Institute. Mr. Brad Berkson, Director of OSD (PA&E), chaired the meeting. Other Council members in attendance were Dr. Jeffrey Nadaner, Deputy Assistant Secretary of Defense for Partnership Strategy and Ms. Sharon Cooper, Deputy Director, Defense Human Resources Activity.

DRMI Faculty Promotions

DRMI would like to recognize three of its faculty for both their achievements and their recent promotions: Dr. Francois Melese to full professor, Mr. Allan Polley to senior lecturer and Dr. Eva Regnier to associate professor. Congratulations to you all!



Dr. Francois Melese's announcement read: "This promotion is in recognition of his contributions and service to the Naval Postgraduate

School. As recognized by his peers in both the United States and the international community, his contributions in the areas of defense economics and defense resources management have made him a leader in these fields. The impact of his work is recognized by leading scholars in his field and by senior military and civilian leaders in the DoD. His awards from the Military Operations Research Society, the American Society of Military Comptrollers and the Naval Postgraduate School also attest to the significance of his contributions. He has demonstrated that he is both a versatile and effective teacher in programs at NPS and in over two-dozen nations around the world. His language skills in French have significantly enhanced the DRMI programs offered in French speaking countries. He provided leadership in developing a new joint DRMI - IDARM- GSBPP program on Managing Defense Infrastructure, and in developing a new DRMI program on Streamlining Defense through Outsourcing, Privatization and Public-Private Partnerships that was sponsored and funded by the Defense Security Cooperation Agency."



Mr. Allan Polley's announcement read: "This promotion is in recognition of his contributions embodied in his teaching and service to NPS and DoD. He has the ability to integrate diverse perspectives, address multiple and varying constituents, and to bring real-world ex-

amples, as well as current and former practices into the classroom. He is also adept at facilitating the small group discussions that are integral to all DRMI programs. He has made many significant contributions to DRMI curricula; in particular is his pursuit of an additional master's degree in international relations while teaching full-time. This degree has made him an even more valuable member of the faculty. He is applauded for his service as the DRMI International Programs Coordinator, responsible for scheduling and coordinating all of the Institute's mobile courses."



Dr. Eva Regnier's announcement read: "This promotion and award of tenure is in recognition of the contributions embodied in her teaching, research, and service to NPS and DoD."

She is an excellent teacher and is also adept at facilitating the small group discussions that are integral to all DRMI programs. She has made significant contributions to DRMI curricula, particularly the new Multi-Criteria Decision Making course. Her research contributions in the area of quantitative analysis, particularly her work on integrating weather forecasts into operational decision-making, have resulted in important contributions to the literature and a growing national reputation. Her grants from the National Science Foundation and the Naval Research Lab also attest to the significance of her contributions."

DRMI would also want to thank the members of the Department Evaluation Committees (DEC) who did an outstanding job of preparing their cases:

- Dr. Francois Melese's DEC: Dr. Jim Blandin (Chair), Dr. Pete Frederiksen and Dr. Steve Mehay
- Mr. Allan Polley's DEC: Dr. Natalie Webb (Chair), Senior Lecturer Don Bonsper and Senior Lecturer John Muttly
- Dr. Eva Regnier's DEC: Dr. Kent Wall (Chair), Dr. Jim Morris and Dr. Susan Sanchez

DRMI News

IDMC 07-1 commences

IDMC 07-1 began 4 February with an opening reception at the Quarterdeck lounge. IDMC 07-1 consists of 35 participants, representing 26 countries.



IDMC 07-1 participant class photo.

The participants of IDMC 07-1 enjoyed six days in Washington, DC (13-18 March) with Dr. Francois Melese, Dr. Kent Wall, LtCol Chris Page, CDR Joel Modisette and International Activities Coordinator, Mary Jo McDonough. Although the March weather was colder and wetter than usual, participants were able to see the city, take many photographs, and get briefings at the Pentagon, State Department, Institute for Defense Analyses, and Capitol Hill.



IDMC 07-1 participants pose for a photo in Washington, D.C.

They will have a farewell party on April 16 for their community hosts and graduation is on April 18.

EI Salvador MIDMC, by Dr. Diana Angelis



Mobile International Defense Management Course (MIDMC) 07-03, held in EI Salvador 12-23 March 07, was a wonderful experience and a great success. The course, which included civilian participants from the National Security Council and Ministries of Education,

Economy, Exterior Relations, Environment, Health and Finance, as well as representatives from the penal centers and officers from the army, navy and air force, was held at the FUSAL facilities in San Salvador. This diverse mix of participants resulted in many opportunities for the exchange of ideas, particularly between the military and civilians.

The faculty included Dr. Diana Angelis (the course coordinator), Dr. Jim Morris, Dr. Natalie Webb, Mr. Don Bonsper, Mr. Larry Vaughan and LTC Mark Hladky (USA). Dr. Diana Angelis, Mr.

Don Bonsper and Mr. Larry Vaughan presented their lectures and led their discussion groups in Spanish, something the participants always appreciate.

The topics covered during the two weeks addressed a variety of issues applicable to resources management. The participants cited cost-effectiveness and budgetary concepts as areas particularly useful to their daily work activities. They also mentioned how much they appreciated the interaction with members of other government organizations.



An El Salvadoran discussion group prepares their budget for the MIDMC TEMPO game.

Ms. Annie Schwartz from the Embassy Military Group (MILGP) facilitated the course; her diligence and attention to detail were essential to the course's overall success. The MILGP also hosted the closing ceremony, where the Ministry of Defense Inspector General, Gen William Ig-dali Moreno Segovia delivered the closing comments to the class and presented each participant with a course certificate.

Commodore Al-Zahrani visits DRMI, by Senior Lecturer Al Polley

Commodore Mohammed Ali Al-Zahrani, Royal Saudi Arabian Navy, the Deputy Director of Training for the Royal Saudi Naval Forces, visited DRMI on 20 March as part of his two-day NPS visit. Executive Director CJ LaCivita, PhD, Academic Associate Robert McNab, PhD and International Programs Coordinator Al Polley met with him to discuss future educational opportunities for the Royal Saudi Arabian Navy, to include continued attendance at courses in Monterey and the possibility of holding future mobile courses in Saudi Arabia. Mobile courses would

likely be multi-service efforts in an attempt to better integrate the Saudi Arabian joint planning and budgeting effort.

Sierra Leone MIDMC 07-07 highlights by LtCol Chris Page



Faculty members Mr. Al Polley, Dr. Jomana Amara, Lt Col Fred Bellamy (USAF) and LtCol Chris Page (USMC) recently conducted the second mobile defense management course in Sierra Leone, Africa from 29 Jan through 9 Feb 2007.

Thirty-three participants from various components of the government including the Ministry of Defense, Ministry of Internal Affairs, Ministry of Foreign Affairs, Ministry of Development, police department, prison system and national security offices traveled to the International Military Assistance Training (IMAT) facility located in the capital city of Freetown, Sierra Leone, to learn about economic factors impacting defense/organizational planning and how to apply analytical quantitative tools to better manage limited resources.



Sierra Leone MIDMC participants pose for the class photo during a break in the instruction periods.

Participant News

IDMC 07-1 class notes

Major Marienana Baescu of the Romanian Land Forces currently attending IDMC 07-1, 2/5/07-4/18/07, has been promoted to Lieutenant Colonel.

IDMC 06-2 class notes

WG CDR Farhat Nadeem, Pakistani Air Force, writes that he has taken over command of a fighter squadron at a base close to his hometown of Karachi. **Captain James Olarewaju Oladipo**, Nigerian Navy, informed DRMI that upon his return, he took over command of the NNS KYANWA, which upon his writing in February, was out to sea. **LCDR German Zecena** of the El Salvadoran Navy sent DRMI his greetings. **Colonel Enrique Tonazzi**, Argentine Armed Forces Joint Staff, writes that a Chilean intelligence website recently published an article he wrote about Pakistani nuclear weapons development. Colonel Tonazzi also sent the below photo of Iguazu Falls (on the border between Argentina and Brazil) with the following message:

One of the big marvelous of our world.
 Une des merveilleuses du notre monde.
 Uma das maravilhas do nosso mundo.
 Una de las maravillas de nuestro mundo.



Iguazu Falls: photo by Colonel Enrique Tonazzi

IDMC 05-2 class notes

Mr. Jonas Jagelavicius, Lithuanian MoD (IDMC 05-2) writes that he received the package of books and binder of DRMI lecture materials; he looks forward to using them to help him in his job.

IDMC 05-1 class notes

Major Bewntu Fikremariam of the Ethiopian Army, an IDMC 05-1 graduate, recently stopped

by the DRMI Admin Office. He is attending a two-week course at the Center for Civil Military Relations (CCMR) entitled, "Civil Military Response to Terrorism."

Curriculum Developments, Teaching News and Service

Dr. Jim Airola teaching Economic Analysis course



Dr. Jim Airola is teaching two segments of Economic Analysis and Defense Resource Allocation in the Graduate School of Business and Public Policy at NPS this spring. The course develops the tools and techniques of economic efficiency to assist public sector decision

makers in analyzing resource allocation in government activities. It focuses on developing the principles of cost-benefit analysis and cost-effectiveness analysis with particular emphasis on projects, programs and policies in the federal government, especially in the department of defense.

Dr. Diana Angelis on active duty at Edwards AFB, CA

Lt Col (USAFR) Diana Angelis spent her active duty tour at the Air Force Flight Test Center (AFFTC) in Edwards AFB, CA, 11 – 23 Mar 07. During her tour, Lt Col Angelis completed training to become certified in Six Sigma and worked with the test center's chief technologist on a project for the "Air Force Smart Operations for the 21st Century" program. The project includes a rapid improvement event to implement the use of "Design of Experiments" in development testing for Air Force acquisition programs. Lt Col Angelis will continue to visit AFFTC to help facilitate this and other improvement events.

Dr. Robert McNab teaching National Security Affairs course

In the spring quarter, Dr. Robert McNab is teaching the "Economics of Insurgencies and Stability Operations" course (NS3042) in the National Security Affairs department of the Naval Postgraduate School. This course examines the economic incentives underlying conflict and

the application of economic tools to stability operations. Real-world cases focus on counter-insurgency operations in a variety of environments.

Marine Corps Practical Comptroller course highlights, by LtCol Chris Page

Thirty participants from Marine Corps installations and operating units gathered in Monterey for a one-week practical comptroller short course from 5-9 March 2007. Although course content was specific to Marine Corps applications, the course touched on a variety of practical planning, performance and resource management techniques and methods as well as provided information on Department of Defense processes and the current state of budget affairs. LtCol Chris Page conducted the course and DRMI faculty members Dr. C.J. LaCivita, Dr. Natalie Webb, and Dr. Jim Morris joined in support.

Dr. Anke Richter teaching Center for Homeland Defense and Security course



Dr. Anke Richter is currently teaching "Special Topics in American Government for Homeland Security" in the Center for Homeland Defense and Security at the Naval Postgraduate School this spring quarter. She is teaching on public health preparedness and bio-

terrorism.

Staff and Faculty News

NPS professors co-edit *Review of Financial Economics* special issue, by Dr. Peter Frederiksen



Professor Gerald Whitney, editor of the University of New Orleans' *Review of Financial Economics* (RFE), recently invited Professor Peter Frederiksen, Associate Professor Robert McNab (both of DRMI) and Professor Robert Looney (National Security Affairs Department

at the Naval Postgraduate School) to be co-

editors of an RFE special issue. The topic of this special edition (to be published in early 2008) is defense industries. The papers included in this edition provide ample evidence of the increasing sophistication in the application of economic theory to defense issues. The defense industry is no longer seen as a "special case" where general economic principles are of limited application in providing insights to firm and individual behavior and performance. The topics examined are (1) how economic factors and acquisition reform relate to cost overruns in DoD projects, (2) what factors drive significant stock price changes of defense firms, (3) how the market reacts to news of production delays in DoD projects as opposed to civilian projects, (4) defense and firm financial and market structure in France, and (5) whether personnel separating from the service choose either an annuity payment or a lump-sum payment. Authors' affiliations included the Naval Postgraduate School, the University of Paris, and the Air Force Institute of Technology.

Additional papers by Drs. Looney and McNab and Dr. Jomana Amara (also of DRMI) on economic liberalization's effect on the defense-growth trade-off, and how military industrialization has affected Jordan's defense industry, respectively, will appear in a regular RFE issue following this special issue.

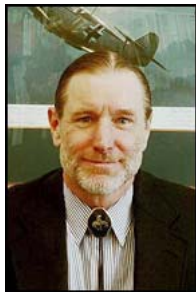
DRMI faculty enjoys weekend in Costa del Sol, El Salvador, by Dr. Diana Angelis

Dr. Diana Angelis and LTC Mark Hladky (USA) took advantage of a self-funded weekend trip arranged by Col Jorge Gonzales (El Salvador Army) to visit the beaches of El Salvador. Col Gonzales provided transportation to Costa del Sol, an area with many beach houses and a few resorts, not unlike Malibu, CA. The weather was wonderful (warm and breezy) and the beaches were lovely.

Diana and Mark took a local tour boat out to a nearby island to explore a deserted beach and to take lots of pictures. After building up a considerable thirst from the hike, they enjoyed a cool drink at one of the island cafes, which consisted of a wooden platform with a thatched roof sitting on stilts over the water overlooking the estuary with a volcano in the background. Absolutely gorgeous!

Conference Presentations, Research and Publications

DRMI representatives attend Training Program Management Reviews, by Senior Lecturer Don Bonsper

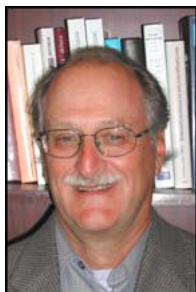


During the period March through May 2007, DRMI representatives will attend the four annual Training Program Management Reviews (TPMRs) (CENTCOM, EUCOM, SOUTHCOM, and PACOM) to finalize international participation in resident courses for FY07 and

to plan participation for FY08. DRMI representatives will also work to plan and coordinate the mobile courses for the next few years.

The DRMI representatives for EUCOM, SOUTHCOM, CENTCOM and PACOM are Senior Lecturer Al Polley, Senior Lecturer Larry Vaughn, Lecturer Luis Morales and Senior Lecturer Don Bonsper, respectively. For political/security reasons, the PACOM TPMR (19-22 March) location changed at the last minute from Bangkok, Thailand to Kuala Lumpur, Malaysia. The 2007 locations for EUCOM (23-27 April), SOUTHCOM (7-11 May), and CENTCOM (2-6 April) are the same as last year in Grainau, Germany; Miami, Florida; and Tampa, Florida, respectively.

Senior Lecturer John Enns reviews Congressional Budget Office paper



Senior Lecturer John Enns reviewed a Congressional Budget Office (CBO) paper entitled "Evaluating Military Compensation." In keeping with CBO's mandate to provide impartial analysis, the paper provides no recommendations but does suggest ways to make the

compensation system more effective and efficient. For example, enlisted personnel with dependents earn more than one-half of their total pay in non-cash (the dollar value of active-duty health care, subsidized child care and groceries received in kind) or deferred compensation (retirement and retiree health care). Because

enlisted members of all ages possess personal discount rates ranging from 16 to 20 percent, the present system may be inefficient in recruiting and retaining personnel. The study suggests ways to increase the share of cash relative to non-cash pay: pay members at the same rate with or without dependents; adjust basic pay rates only after adjustments to housing and subsistence rates are made; and eliminate the Domestic Dependent Elementary School System (DDESS) a (DoD) school system and provide tuition allowances for those members affected. These suggested strategies are in line with those of other recent pay study groups.

Dr. Robert McNab to develop urban cultural geography model

The U.S. Army's Training and Doctrine Command (TRADOC) Analysis Center in Monterey has asked Dr. Robert McNab to conduct research in support of developing the urban cultural geography model that will dynamically represent the civilian populace's behaviors and reactions to changes in the factors and conditions composing a combat environment's cultural and societal landscape. Dr. Robert McNab is the subject matter expert for this project in the area of economics and will spend 50% of his time on this in 2007.

Dr. Francois Melese advises Directorate of Administration and Management

Dr. Francois Melese has been advising the Directorate of Administration and Management (OSD/ODAM) in the Pentagon on strategies to implement a request by the Deputy Secretary of Defense (DEPSEC). The DEPSEC memo directs all activities, agencies and organizations in the Department of Defense (DoD) to report their "Key Management and Process Milestones."

The collection of these milestones is meant to reflect DoD's proposed accomplishments in the Bush administration's last two years.

OSD/ODAM is responsible for collecting and synthesizing the results for the DEPSEC. Dr. Francois Melese provided guidance on how to organize and integrate this information in a way that addresses the eight specific priorities the DEPSEC outlines, which simultaneously corresponds to the DoD's balanced scorecard/risk management framework. The proposed approach focuses on two key DoD goals that the DEPSEC implicitly expressed: (1) win the Global War on Terror, and (2) improve effectiveness

and efficiency across the board. In terms of the four components of the DoD's risk management framework, (1) focuses more on current readiness [Operational and Force Management Risks], and (2) on future readiness — modernization and transformation [Future Challenges and Institutional Risks].

Dr. Anke Richter attends Public Health Preparedness Conference

Dr. Anke Richter attended the Public Health Preparedness Conference in Washington, DC, February 19-23, 2007.

DRMI faculty attend Senior Resource Analysis Course

LTC Mark Hladky (USA), Lecturer Luis Morales, and Dr. Natalie Webb attended the Senior Resource Analysis Course, 22-25 Jan 2007 at the Institute for Defense Analysis facility in Alexandria, VA. OSD/Program Analysis and Evaluation and the OSD Cost Analysis Improvement Group sponsored the course.

Publications

Earnshaw, S., Hicks, K., **Richter, A.**, & Honeycutt, A. (in press). A linear programming model for allocating HIV prevention funds with state agencies: A pilot study. *Health Care Management Sciences*.

Martinez-Vazquez, J., & **McNab, R.** (2006). Fiscal Decentralization and Governance. In Smoke, P., G. Peterson and E. Gomez (Eds.), 2006, Decentralization in Asia and Latin America: A Comparative Interdisciplinary Perspective. London: Edward-Elgar, 42-62.

Martinez-Vazquez, J., & **McNab, R.** (2006). Fiscal Decentralization, Macrostability, and Growth. Hacienda Public Espanola, *Revista De Economia Publica*, 179(4), 1-38.

McNab, R., & Mohamed, A.L. (2006). Human Capital, Natural Resource Scarcity, and the Rwandan Genocide. *Small Wars and Insurgencies*, 17(3), 311-332.

Regnier, E. D., & Tovey, C.A. (in press). Time Horizons of Environmental vs. Non-Environmental Costs: Evidence from U.S. Tort Lawsuits. *Business Strategy and the Environment*, 16(4).

Post Conflict Reconstruction (Continued from page 1)

however, runs counter to current, centralized reconstruction efforts in Iraq and Afghanistan.

Given that conflict invariably creates myopia and distrust of public institutions, reconstruction efforts, in the short-term, should focus on improving local governance. Following this argument, reconstruction must address root causes of violence, as insecurity is often symptomatic.⁴ Yet, even if military commanders are predisposed to engage in rebuilding social capital and public institutions (a significant assumption), one must question whether they currently have sufficient incentives to undertake these projects, which are arguably beyond the military's intended scope. Measuring reconstruction efforts directed at improving social capital, unlike those efforts aimed at developing and rehabilitating existing physical capital, is notoriously difficult, further contributing to the reconstruction dilemma.

Developing performance metrics identifying the influence of stabilization and reconstruction efforts on outcomes does not necessarily guarantee their adoption. As noted in the literature, organizations may take action to improve their performance in terms of familiar metrics regardless of possible detriment to stakeholders' desired outcomes.⁵ Agents may produce excessive quantities of goods and services, for example, whose characteristics are quantifiable and easily monitored in order to exploit principals who lack knowledge of public goods and services' true demand and their associated production costs. These behaviors favor programs for which metrics are readily available over those whose outcomes are more difficult to quantify. The military and other agencies responsible for stabilization and reconstruction have, in fact, used metrics (insurgents killed/captured/wounded, electricity and oil production, number of children attending school) that are readily quantifiable.

While military operations to remove Iraqi insurgent strongholds provide tangible results in terms of individuals detained and arms caches interdicted, these operations may also increase animosity towards U.S. forces, undermining civil society development. Such a strategy of attrition may be counter-productive in that killing insurgents without destroying their infrastructure or their ability to coerce the population's resources, is wasted effort.⁶ Unlike relatively symmetric conflict between sovereign (or quasi-sovereign) actors, asymmetric conflict may render the use of offensive action ineffective but, more importantly, counterproductive.⁷

Even if metrics focus on outcomes, capture may bias performance measurement. Capture occurs when interest groups seize the benefits of public goods and, in turn, ultimately control government policies. As the scale of a reconstruction project increases, so too does the likelihood of capture. Capture creates a series of problems, including overstatement of local public goods' provision costs, corruption, and diversion of local public goods to non-intended groups. Capture can also have the reverse effect; interest groups understate the demand for public goods to lower revenue requirements and taxes. The literature is replete with examples from countries in Latin America, sub-Saharan Africa, and some Asian countries (the Philippines and Indonesia) where public consumption and transfers have often been misdirected, have not reduced income inequality, and have largely supported special interests.⁸

I argue that the attempt to use performance management techniques to gauge the success of reconstruction in Afghanistan and Iraq created (and continues to create) incentives to engage in actions potentially detrimental to the objective of improved security. Using the metric, for example, of individuals detained to proxy for interdicting the insurgency created the perverse incentive to detain Iraqis, regardless of actual threat. Using the metric of resources committed to reconstruction projects, for example, created the incentive to obligate funds for larger scale projects, regardless of the Iraqi government's capacity to sustain these projects over time.⁹ We can only conclude that the focus on inputs (obligations, activities started and completed) instead of outputs (service provision) and, more importantly, outcomes (security and sustainability), continues to distort decision-making and inhibits the counter-insurgency campaign.

As counter-insurgency campaigns typically last years, it can be difficult to identify performance measures that provide information on annual progress towards achieving results. The presence of multiple parties with disparate goals (the United States, Kurds, Shia, and Sunni in Iraq, for example) complicates this effort. While performance management techniques may improve the efficiency of government operations (and a recent GAO report notes that this is an imperfect and incomplete process¹⁰), gauging progress in wartime is a much more difficult task. We note that the Special Inspector General for Iraq Reconstruction attempts to link inputs, outputs, and outcomes in his continued reports to Congress.¹¹ Whether these recommendations are incorporated in the day-to-day operations of the DoD, Multi-National Forces-Iraq, and Combined Forces Command (Afghanistan) remains to be seen.

¹ See Feil, Hamre and Sullivan; Gareth Evans, "Rebuilding Societies in Crisis: Before and After War," *International Crisis Group* (8 October 2003; <http://www.crisisgroup.org/home/index.cfm?id=2314&l=1>); as well as Nat J. Colletta "Conflict Prevention and Post-Conflict Reconstruction: Perspectives and Prospects," *World Bank Post-Conflict Unit* (Paris, France: World Bank, August 1998; <http://www-unix.oit.umass.edu/%7Eeduc870/PostConflict/resources/Colletta-PostConflict-Rcnstrctn-98.pdf>). Also see Michael E. O'Hanlon and Nina Kamp, which note that the World Bank approved its first loan to Iraq in over thirty years in November 2005, more than two and a half years after combat operations began.

² Anthony H. Cordesman, *The War After the War* (Washington D.C.: Center for Strategic and International Studies, 2004).

³ Johanna M. Forman, "Achieving Socioeconomic Well-Being in Postconflict Settings," *The Washington Quarterly* 25.4 (Washington D.C.: 2002);

⁴ Jan Oberg, "Conflict-Management as if Human Beings Mattered: Can We Learn To Do Better Than We Did In Kosovo," *Transnational Foundation for Peace and Future Research* (August 1999; <http://www.transnational.org/forum/meet/2000/janWorld-Bank.html>).

⁵ Osborne, D. and T. Gaebler. 1992. *Reinventing Government*. Reading, Massachusetts: Addison Wesley.

⁶ Sir Robert Thompson, *Defeating Communist Insurgency* "Experiences from Malaya and Vietnam" (London: Chatto and Windus, 1966), 116.

⁷ Andrew Mack, "Why Big Nations Lose Small Wars: The Politics of Asymmetric Conflict," *World Politics*, Vol. 27, No. 2 (January 1975), 175-200.

⁸ Alesina, Alberto. (1999), 'Too Large and Too Small Governments', in Vito Tanzi, Ke-Young Chu, and S. Gupta (eds.), *Economic Policy and Equity*, Washington, DC: International Monetary Fund, pp. 216-234.

⁹ Examples of the focus on obligations can be found at: <http://www.usaid.gov/iraq/contracts/>. As noted by the Special Inspector General for Iraq Reconstruction, "To date, the U.S. reconstruction effort has been managed primarily through the use of activity metrics, including the number of project starts and completions, and the total dollars obligated and expended." Available at: <http://www.sigir.mil/sectors/Default.aspx>.

¹⁰ Government Accountability Office (2006), *Performance Budgeting: PART Focuses Attention on Program Performance but More*

Can Be Done to Engage Congress (Washington DC: GAO), Available at: <http://www.gao.gov/new.items/d0628.pdf>.

¹¹ Special Inspector General for Iraq Reconstruction (2006). Iraq Reconstruction Progress Report, Section 2. (Washington DC: SIGIR). Available at: http://www.sigir.mil/reports/QuarterlyReports/Jan06/pdf/sections/Jan06_Sect2_Complete.pdf

DRMI Brochure

The Defense Resources Management Course brochure is now available. If you would like copies, please contact the Admin Office at 831-656-2104 (DSN 756) or send e-mail to DrmiAdmin@nps.navy.mil

Future Mobile Courses

Colombia	9 Apr – 20 Apr 2007
Honduras	16 Apr – 27 Apr 2007
Malaysia (FMS)	4 Jun – 15 Jun 2007
Bangladesh	15 Jul – 26 Jul 2007
Czech Republic	27 Aug – 7 Sep 2007
Argentina	10 Sep – 21 Sep 2007

*All courses funded by International Military Education and Training (IMET) unless marked as Foreign Military Sales (FMS).

Future Resident Courses

Defense Resources Management Course (four-week DRMC):

DRMC 07-2	23 Apr – 17 May 2007
DRMC 07-3	21 May – 15 Jun 2007
DRMC 07-4	23 Jul – 16 Aug 2007
DRMC 07-5	20 Aug – 14 Sep 2007

Senior International Defense Management Course (four-week SIDMC):

SIDMC 07	25 Jun – 20 Jul 2007
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International Defense Management Course (eleven-week IDMC):

IDMC 07-2	24 Sep – 7 Dec 2007
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Multi-criteria Decision Making (MCDM)

Offered: 20-31 August 2007

Streamlining Government through Outsourcing, Privatization, and Public-Private Partnerships (SGOP)

Offered: 21 – 25 May 2007

Base Realignment, Closure, and Economic Redevelopment (BRCER)

Offered: 6-17 August 2007

Budget Preparation Execution and Accountability (BPEA)

Offered: 17-28 September 2007

Financial Integrity, Accountability, and Transparency (FIAT)

Offered: TBA

For additional information on any of our resident courses please contact Mary Cabanilla at (831) 656-2104 or e-mail DrmiAdmin@nps.navy.mil



The Defense Resources Management Institute publishes the DRMI Newsletter quarterly. Direct questions regarding content or the submission of proposed articles to the Newsletter Editor, DRMI 64We, 699 Dyer Rd, Monterey, CA 93943.